



Navigators Pro

***A Division of Navigators Management Company, Inc.
One Penn Plaza, 32nd Floor
New York, NY 10119***

August 22, 2012

Ronan Eggleston
Willis of Oregon
222 SW Columbia Street, Suite 600
Portland, OR 97201

Via Email: ronan.eggleston@willis.com

**Re: Absorbent Technologies, Inc.
8705 SW Nimbus Avenue
Suite 230
Beaverton, OR 97008
Policy Number: NY12DOL617813IV
Expiring Policy Number: NY11DOL617813IV**

Dear Ronan:

Attached please find the above captioned policy. Please review it carefully.

If you have any questions or concerns regarding this letter, please contact Michael Hochkeppel at (212) 613-4203 or mhochkeppel@navg.com

Thank you for considering Navigators Insurance Company for your professional liability insurance programs.

Sincerely,

Sachette Barber
Tel: (212) 613-4290
Fax: (212) 613-4302
sbarber@navg.com



DECLARATIONS

Attached to and forming part of

SmartPolicy^(sm)

This insurance is effected with Navigators Insurance Company

**THIS IS A CLAIMS-MADE POLICY WITH COSTS OF DEFENSE INCLUDED IN THE LIMIT OF LIABILITY.
PLEASE READ THE ENTIRE POLICY CAREFULLY.**

ADMINISTRATOR NAME AND ADDRESS	PRODUCER NAME AND ADDRESS
Navigators Pro A Division of Navigators Management Company, Inc. One Penn Plaza, 32nd Floor New York, NY 10119	Willis of Oregon 222 SW Columbia Street, Suite 600 Portland, OR 97201

ITEM 1. CORPORATION - NAME AND PRINCIPAL ADDRESS: Absorbent Technologies, Inc. 8705 SW Nimbus Avenue Suite 230 Beaverton, OR 97008	ITEM 2. POLICY PERIOD: (a) Inception Date: July 1, 2012 (b) Expiration Date: July 1, 2013 at 12:01 a.m. both dates at the Principal Address in ITEM 1.
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ITEM 3. DEFENSE OPTION: <input type="checkbox"/> Duty to Defend <input checked="" type="checkbox"/> No Duty to Defend

ITEM 4. COVERAGE PARTS ISSUED AS A PART OF THIS POLICY: <input checked="" type="checkbox"/> Directors and Officers Liability <input checked="" type="checkbox"/> Optional Entity Coverage under Insuring Agreement C <input checked="" type="checkbox"/> Optional Costs Coverage under Insuring Agreement D <input checked="" type="checkbox"/> Employment Practices Liability <input checked="" type="checkbox"/> Optional Third Party Coverage <input type="checkbox"/> Fiduciary Liability <input type="checkbox"/> Optional Settlement Program Coverage

ITEM 5. LIMITS OF LIABILITY: a. \$5,000,000 Maximum aggregate limit of liability for all Loss , including Costs of Defense , under DIRECTORS AND OFFICERS LIABILITY Coverage Part, if purchased i. \$250,000 Maximum aggregate limit of liability for all Investigation Costs under Optional Entity Coverage under DIRECTORS AND OFFICERS LIABILITY Coverage Part, if purchased ii. \$1,000,000 Additional Excess Aggregate Limit of Liability Dedicated for Directors and Officers b. \$3,000,000 Maximum aggregate limit of liability for all Loss , including Costs of Defense , under EMPLOYMENT PRACTICES LIABILITY Coverage Part, if purchased c. N/A Maximum aggregate limit of liability for all Loss , including Costs of Defense , under FIDUCIARY LIABILITY Coverage Part, if purchased i. N/A Maximum aggregate limit of liability for all Settlement Expenses under Optional Settlement Program Coverage under FIDUCIARY LIABILITY Coverage Part, if purchased d. \$9,000,000 Maximum aggregate limit of liability for all Loss , including Costs of Defense , under this Policy

DECLARATIONS (Continued)Attached to and forming part of **SmartPolicy^(sm)****ITEM 6. RETENTIONS:**

- a. Under DIRECTORS AND OFFICERS LIABILITY Coverage Part:
- (i) \$0 Each **Claim** under Insuring Agreement A
 - (ii) \$25,000 Each **Claim** under Insuring Agreement B
 - (iii) \$25,000 Each **Claim** under Insuring Agreement C
 - (iv) N/A Each **Claim** under Insuring Agreement D
- b. \$35,000 Each **Claim** under EMPLOYMENT PRACTICES LIABILITY Coverage Part
- c. N/A Each **Claim** under FIDUCIARY LIABILITY Coverage Part

ITEM 7. PRIOR AND PENDING DATE:

- a. Under DIRECTORS AND OFFICERS LIABILITY Coverage Part, if purchased: July 1, 2007
- b. Under EMPLOYMENT PRACTICES LIABILITY Coverage Part, if purchased: July 1, 2007
- c. Under FIDUCIARY LIABILITY Coverage Part, if purchased: N/A

ITEM 8. PREMIUM: \$28,000**ITEM 9. WAIVER OF RECOURSE PREMIUM:** N/A**ITEM 10. FORMS AND ENDORSEMENTS ATTACHED AT ISSUANCE:**

NAV-SPGT-001 (09/08)	NAV-SPDO-001 (09/08)	NAV-SPEP-001 (09/08)	NAV-SIG-001 (10/01)	NAV-PDL-300-OR (09/08)
NAV-PDL-567 (01/09)	NAV-PDL-579 (04/09)	NAV-PDL-006 (08/08)	NAV-PDL-013 (08/08)	

These Declarations, the signed and completed Application and the Policy, with endorsements, will constitute the contract between the Insured and the Insurer.

Issuing Office: New York

Issue Date: August 22, 2012

Navigators Insurance Company

GENERAL TERMS AND CONDITIONS

**THIS IS A CLAIMS-MADE POLICY
WITH COSTS OF DEFENSE INCLUDED IN THE LIMIT OF LIABILITY.
PLEASE READ THE ENTIRE POLICY CAREFULLY.**

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the insurance company shown in the Declarations (the "Insurer"), including the statements made in the **Proposal Form**, and subject to all terms, conditions and limitations of this Policy, the **Insureds** and the Insurer agree:

Section I. Defense Obligations

- A.** If ITEM 3 of the Declarations states that the "Duty to Defend" option has been elected, the Insurer will have the right and duty to defend any **Claim** against any **Insured** covered under this Policy, even if the allegations in such **Claim** are groundless, false or fraudulent. The Insurer will give consideration to the **Insureds'** preference for defense counsel, but the final decision regarding the appointment of defense counsel will rest with the Insurer. The **Insureds** will have the right, at their own expense, to associate with the Insurer in the defense of any **Claim** and the negotiation of any settlement thereof.
- B.** If ITEM 3 of the Declarations states that the "No Duty to Defend" option has been elected, the Insurer will have no duty to defend any **Claim** against any **Insured**, and it will be the duty of the **Insureds**, and not of the Insurer, to defend any **Claim**. The Insurer will have the right, but not the duty, to associate with the **Insureds** in the investigation, defense or settlement of any **Claim** to which coverage under this Policy may apply. The Insurer will advance **Costs of Defense** prior to the final disposition of any **Claim** covered by this Policy, on the condition that:
1. any applicable retention shall have been satisfied;
 2. any amounts advanced by the Insurer will reduce the Insurer's applicable Limit of Liability under any applicable Coverage Part and under this Policy to the extent such amounts are not in fact repaid; and
 3. in the event it is finally established that the Insurer has no liability under the Policy for **Loss** in connection with such **Claim**, the **Insureds** will repay the Insurer upon demand all **Costs of Defense** advanced to them or on their behalf.
- C.** Whether the "Duty to Defend" or the "No Duty To Defend" option shall have been elected, **Costs of Defense** will be part of, and not in addition to, all applicable Limits of Liability set forth in ITEM 5 of the Declarations, and the Insurer's payment of **Costs of Defense** will reduce, and may exhaust, such Limit or Limits of Liability.

Section II. Definitions

- A.** "**Claim**" will mean:
1. a written demand for monetary or non-monetary relief made against any **Insured**;
 2. any written request for any **Insured** to toll or waive any potentially applicable statute of limitations; or
 3. a civil, criminal, administrative or arbitration proceeding brought against any **Insured** seeking monetary or non-monetary relief and commenced by the service of a complaint or similar

pleading, the return of an indictment or criminal information, or the receipt or filing of notice of charges or similar document.

- B. **"Company"** will mean the **Corporation** and any **Subsidiary**.
- C. **"Corporation"** will mean the entity named in ITEM 1 of the Declarations.
- D. **"Costs of Defense"** will mean reasonable and necessary legal fees, costs and expenses incurred in the investigation, defense or appeal of any **Claim**, including the costs of an appeal bond, attachment bond or similar bond; provided, however, that the Insurer will have no obligation to apply for or furnish any such bond.
- E. **"Executive Officer"** shall mean any past, present or future President, Chief Executive Officer or Chief Financial Officer of the **Company**.
- F. **"Financial Insolvency"** will mean any entity included within the term **"Company"** becoming a debtor in possession, or the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate such entity.
- G. **"Foreign Jurisdiction"** means any jurisdiction, other than the United States or any of its territories or possessions.
- H. **"Insured"** will have, with respect to the coverage afforded in each Coverage Part attached to and forming a part of this Policy, the meaning given to that term in such Coverage Part.
- I. **"Insured Person"** will have, with respect to the coverage afforded in each Coverage Part attached to and forming a part of this Policy, the meaning given to that term in such Coverage Part.
- J. **"Loss"** will mean compensatory damages, punitive or exemplary damages, the multiple portion of any multiplied damage award, settlements and **Costs of Defense**; provided, however, that **Loss** will not include salaries, wages, overhead or benefit expenses associated with any **Insured**, criminal or civil fines or penalties imposed by law, taxes, or any matter which may be deemed uninsurable under the law pursuant to which this Policy shall be construed. It is understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for punitive or exemplary damages or the multiple portion of any multiplied damage award.
- K. **"Policy Period"** will mean the period from the inception date of this Policy to the expiration date of this Policy as set forth in ITEM 2 of the Declarations, or to its earlier termination if applicable.
- L. **"Proposal Form"** will mean:
1. the application or proposal form attached to and forming part of this Policy, together with any materials submitted therewith; and
 2. any applications or proposal forms submitted in connection with any policy in an uninterrupted series of policies issued by the Insurer of which this Policy is a renewal or replacement, together with any materials submitted therewith;
- all of which will be retained on file by the Insurer and will be deemed to be physically attached to and form part of this Policy.
- M. **"Related Wrongful Acts"** will mean **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction, event or decision.
- N. **"Subsidiary"** will mean:
1. any entity during any time in which the **Corporation** owns, directly or indirectly, more than fifty percent (50%) of the outstanding securities or interests representing the present right to vote for

the election or appointment of such entity's directors, managers, or persons occupying an equivalent position; and

2. any joint venture during any time in which the **Corporation** owns, directly or indirectly, fifty percent (50%) or more of the outstanding securities or interests representing the present right to vote for the election or appointment of such entity's directors, managers, or persons occupying an equivalent position if, pursuant to a written agreement with the owners of such joint venture's remaining securities or interests, the **Corporation** solely controls the management and operations of such joint venture.

- O. "**Wrongful Act**" will have, with respect to the coverage afforded in each Coverage Part attached to and forming a part of this Policy, the meaning given to that term in such Coverage Part.

Section III. Discovery – Coverage Extensions

- A. In the event the Insurer refuses to renew this Policy, the **Insureds** will have the right, upon payment of seventy five percent (75%) of the annual premium, (or if the **Policy Period** is other than annual, seventy five percent (75%) of the annualized premium), to an extension of the coverage provided by this Policy with respect to any **Claim** first made against any **Insured** during the period of twelve (12) months after the end of the **Policy Period** (the "Discovery Period"), but only with respect to **Wrongful Acts** committed or attempted, or allegedly committed or attempted, before the end of the **Policy Period**. As a condition precedent to the right to purchase the Discovery Period, the total premium for this Policy must have been paid, and a written request together with payment of the appropriate premium for the Discovery Period must be provided to the Insurer no later than thirty (30) days after the end of the **Policy Period**. The purchase of the Discovery Period will not in any way increase any Limit of Liability, or create a separate or additional Limit of Liability, applicable to any Coverage Part or to this Policy as a whole, and the limits of liability with respect to **Claims** made during the Discovery Period will be part of, and not in addition to, the applicable Limit or Limits of liability as set forth in ITEM 5 of the Declarations.
- B. In the event of the death, incapacity or bankruptcy of any **Insured Person**, a **Claim** against such **Insured Person's** estate, heirs, legal representatives or assigns for a **Wrongful Act** committed or attempted, or allegedly committed or attempted, by such **Insured Person** will be deemed to be a **Claim** against such **Insured Person**.
- C. Subject to all other terms, conditions and limitations of and endorsements to this Policy, the coverage provided under this Policy to **Insured Persons** will be extended also to apply to the lawful spouses or domestic partners of the **Insured Persons**; provided, that the extension of coverage afforded under this Section III.C will apply only to the extent any such spouse or domestic partner is a party to a **Claim** solely in his or her capacity as a spouse or domestic partner of an **Insured Person** and such **Claim** seeks damages recoverable from marital community property, property jointly held by an **Insured Person** and his or her spouse or domestic partner, or property transferred from an **Insured Person** to his or her spouse or domestic partner. No extension of coverage will be available under this Section III.C for any **Loss** for which any spouse or domestic partner of an **Insured Person** may be liable by reason of his or her own actual or alleged acts, errors, omissions, misstatements, misleading statements or breaches of duty.

Section IV. Limit of Liability

- A. With respect to each Coverage Part, the Insurer will be liable to pay one hundred percent (100%) of **Loss**, including **Costs of Defense**, in excess of the applicable retention amount set forth in ITEM 6 of the Declarations, up to the Limit of Liability applicable to such Coverage Part as set forth in ITEM 5 of the Declarations.
- B. The Insurer's maximum aggregate Limit of Liability under this Policy for all **Loss**, including **Costs of Defense**, will be the amount set forth in ITEM 5.d of the Declarations, regardless of the number of **Insureds**, the number of **Claims**, the number of Coverage Parts, the time of payment or the Coverage Part or Coverage Parts under which such **Loss** is paid.

- C. If the Insurer's maximum aggregate Limit of Liability with respect to any **Claim** is or has been exhausted by the payment of **Loss**, all obligations of the Insurer in connection with such **Claim** will be completely fulfilled and exhausted, and the Insurer will have no obligation to make any further payments of **Loss** or to advance any **Costs of Defense** in connection with such **Claim** or to defend or continue to defend such **Claim**. If the Insurer's maximum aggregate Limit of Liability under this Policy is exhausted by the payment of **Loss**, all obligations of the Insurer under this Policy will be completely fulfilled and exhausted, and the Insurer will thereafter have no obligation to make any further payments of **Loss**, to advance any **Costs of Defense** or to defend or continue to defend any **Claim**; under such circumstances, the entire premium for this Policy will be deemed to have been fully earned.

Section V. Retention

- A. One retention shall apply to each and every **Claim**. If a **Claim** gives rise to coverage under more than one Coverage Part, the retention applicable to **Loss** under each such Coverage Part will be applied separately to that **Loss** payable under such Coverage Part; provided, however, that the sum of all such retentions will not exceed the largest single retention applicable to such **Claim** under any applicable Coverage Part. The retention amount will be borne by the **Insureds** uninsured at their own risk.
- B. No retention will apply to **Loss** incurred by any **Insured Person** for which the **Company** is neither required nor permitted to provide advancement or indemnification, or for which the **Company** is required or permitted to provide advancement or indemnification but is unable to do so solely by reason of its **Financial Insolvency**.

Section VI. Allocation, Costs of Defense and Settlements

- A. If a **Claim** made against any **Insured** includes both covered and uncovered matters, or is made against any **Insured** and others, the **Insureds** and the Insurer recognize that there must be an allocation between **Loss** and uninsured damages, settlement amounts and other liabilities in connection with such **Claim**. The **Insureds** and the Insurer will use their best efforts to agree upon a fair and proper allocation. If no agreement can be reached, the Insurer will advance **Costs of Defense** based on what it believes is a fair and proper allocation until such time as the issue can be resolved.
- B. The **Insureds** may not incur **Costs of Defense**, or admit liability, offer to settle, or agree to any settlement in connection with any **Claim** without the express prior written consent of the Insurer, which consent shall not be unreasonably withheld. The Insurer will not be liable for any admission, assumption or stipulation of liability, settlement or **Costs of Defense** to which it has not consented.

Section VII. Notice

- A. As a condition precedent to their rights under this Policy in connection with any **Claim**, the **Insureds** must give the Insurer written notice of such **Claim** as soon as practicable after such **Claim** is made, but in no event later than sixty (60) days after the end of the **Policy Period**. Subject to the foregoing, written notice of a **Claim** will be deemed to have been given as soon as practicable if such notice is given not later than sixty (60) days after the Chairman of the Board of Directors, President, Chief Executive Officer, Chief Financial Officer, General Counsel, or Risk Manager of the **Company** first becomes aware of such **Claim**.
- B. If, during the **Policy Period** or Discovery Period, any **Insured** first becomes aware of any circumstances which may reasonably be expected to give rise to a Claim being made against an **Insured** and shall give written notice to the Insurer of:
1. the circumstances;
 2. the **Wrongful Act** allegations anticipated; and
 3. the reasons for anticipating such a **Claim**;

with full particulars as to the dates, persons and entities involved, then a **Claim** which is subsequently made against such Insured and reported to the Insurer alleging, arising out of, based upon or attributable to such circumstances or alleging any **Wrongful Act** which is the same as or related to any **Wrongful**

Act alleged or contained in such circumstances, shall be considered made at the time the Insurer received such written notice.

- C. Notice to the Insurer under Sections VII.A and B above must be given to:

Navigators Insurance Company
One Penn Plaza
New York, NY 10119
ATTN: Navigators Pro Claims Department

Section VIII. General Conditions

A. Worldwide Coverage

The coverage provided by this Policy will apply to **Claims** made, and to **Wrongful Acts** committed or attempted or allegedly committed or attempted, anywhere in the world.

B. Interrelationship of Claims

All **Claims** involving the same **Wrongful Act** or **Related Wrongful Acts** of one or more **Insureds** will be considered a single **Claim**, and will be deemed to have been made on the earlier of the following dates: (1) the earliest date on which any such **Claim** was first made; or (2) the earliest date on which any such **Wrongful Act** or **Related Wrongful Act** was reported under this Policy or any other policy providing similar coverage.

C. Advancement and Indemnification

The certificate of incorporation, charter or other organizational documents of each entity included within the term "**Company**," including by-laws and resolutions, will be deemed to require advancement and indemnification of **Loss** to the **Insured Persons** to the fullest extent permitted by law.

D. Other Insurance

All **Loss** payable under this Policy will be specifically excess of, and will not contribute with, any other valid and collectible insurance, including but not limited to any other insurance under which there is a duty to defend, unless such other insurance is specifically excess of this Policy. This Policy will not be subject to the terms of any other insurance policy or program.

E. Cancellation or Non-Renewal

1. This Policy may be cancelled by the **Corporation** at any time by written notice to the Insurer. Upon cancellation, the Insurer shall retain the customary short rate portion of the premium. Return or tender of any unearned premium will not be a condition of cancellation. This Policy may be cancelled by the Insurer only for non-payment of premium;
2. The Insurer will not be required to renew this Policy. If the Insurer elects not to renew this Policy, the Insurer will provide the **Corporation** with no less than sixty (60) days advance notice thereof. An offer by the Insurer to renew on different terms will not constitute non-renewal.

F. Representations and Severability

It is agreed by the **Insureds** that the particulars and statements contained in the **Proposal Form** and any information provided therewith (which shall be on file with the Insurer and be deemed attached hereto as if physically attached hereto) are the basis of this Policy and are to be considered as incorporated in and constituting a part of this Policy. It is further agreed by the **Insureds** that the statements in the **Proposal Forms** or in any information provided therewith are their representations, that they are material and that this Policy is issued in reliance upon the truth of such representations; provided, in the event that the **Proposal Form** contains misrepresentations made with the actual intent to deceive, or contains misrepresentations which materially affect either the acceptance of the risk or the hazard assumed by

Underwriters under this Policy, this Policy shall be void and have no effect whatsoever with respect to those **Insureds** who made or had knowledge of such misrepresentations. Knowledge of any matter which may give rise to a claim or any misrepresentation made by an **Executive Officer** shall be imputed to the **Company**, but will not be imputed to any **Insured Person** who had no knowledge of the matter which may give rise to a claim or the misrepresentation.

G. Changes in Exposure

1. If, during the **Policy Period**, the **Company** acquires the assets of another entity or acquires a **Subsidiary** or any other entity, by merger, consolidation or otherwise, the coverage afforded under this Policy will be available for **Loss** resulting from **Claims** made during the **Policy Period** or, if purchased, the Discovery Period, against any such entity or any **Insured Persons** thereof for **Wrongful Acts** committed or attempted, or allegedly committed or attempted, by them after the effective date and time of such acquisition. If, however, such assets or the assets of the entity so acquired exceed twenty-five percent (25%) of the total assets of the **Company** as of the date of the most recently audited financial statements of the **Company** or the number of employees of the entity so acquired exceeds twenty-five percent (25%) of the number of the **Company's** employees as of the date of the most recently audited financial statements of the **Company**, such coverage will be available only for ninety (90) days after the effective date and time of such acquisition or until the end of the **Policy Period**, whichever is earlier, unless written notice of such acquisition is given to the Insurer, together with such additional information as the Insurer may request, and the Insurer agrees by written endorsement to this Policy to provide such additional coverage on such terms, conditions and limitations, and for such additional premium, as the Insurer may require. If, however, this Policy contains a Fiduciary Liability Coverage Part, this Section VIII.G.1 will not apply to or operate to extend coverage under such Coverage Part unless the Insurer so agrees by written endorsement to such Coverage Part;
2. If, during the **Policy Period**, any entity ceases to be a **Subsidiary**, the coverage afforded under this Policy in respect of such entity and any **Insureds** thereof by reason of their service with or relationship to such entity will continue to apply to **Claims** made during the **Policy Period** or, if purchased, the Discovery Period, against them for **Wrongful Acts** committed or attempted, or allegedly committed or attempted, by them before such entity ceases to be a **Subsidiary**, but such coverage will cease with respect to **Claims** against any such entity or any such **Insureds** for **Wrongful Acts** committed or attempted, or allegedly committed or attempted, by them after such entity ceases to be a **Subsidiary**;
3. If, during the **Policy Period**, a transaction occurs wherein another person, entity, or group of affiliated persons and/or entities gains control of the **Corporation** through the ownership of more than fifty percent (50%) of the voting stock of the **Corporation**, or the **Corporation** merges into another entity or consolidates with another entity such that the **Corporation** is not the surviving entity, the coverage afforded under this Policy will continue to apply to **Claims** made during the **Policy Period** or, if purchased, the Discovery Period, against any **Insured** for **Wrongful Acts** committed or attempted, or allegedly committed or attempted, before the effective date of such transaction, but coverage will cease with respect to **Claims** against the **Insureds** for **Wrongful Acts** committed or attempted, or allegedly committed or attempted, thereafter. Under such circumstances, the **Insureds** may no longer cancel the Policy and the entire premium for this Policy will be deemed to have been fully earned as of the effective date of such transaction.

H. Quotes for Securities Offerings

If, during the **Policy Period**, any public offering of the **Company's** securities occurs that is not exempt from registration under the Securities Act of 1933 and, at least thirty (30) days prior to the effective date of such offering, the **Insureds** give the Insurer written notice thereof together with all information related thereto as the Insurer may request, the Insurer agrees to give the **Insureds** a quote for coverage with respect to such offering; provided, that such quote will be on such terms and conditions, and for such additional premium, as the Insurer in its sole and absolute discretion shall deem appropriate, and any coverage provided will be on such forms as are in use by the Insurer for public companies at the time of such offering. In the event of an Initial Public Offering of the **Company's** securities, if the **Insureds**

choose to cancel this Policy and purchase a replacement Policy from the Insurer, this Policy will be cancelled and premium returned on a pro-rata basis.

I. Assistance, Cooperation and Subrogation

1. The **Insureds** agree to provide the Insurer with all information, assistance and cooperation that the Insurer may reasonably request, and to do nothing which would in any way increase the Insurer's exposure under this Policy or prejudice the Insurer's actual or potential rights of recovery;
2. In the event of a **Claim**, the **Insureds** shall, as soon as practicable, furnish the Insurer with copies of reports, investigations, pleadings and other papers in connection therewith;
3. In the event of any payment under this Policy, the Insurer will be subrogated to all of the **Insureds'** rights of recovery and the **Insureds** will execute all papers required and do everything that may be necessary to secure such rights, including the execution of such documents as may be necessary to enable the Insurer to effectively bring suit in the name of any **Insured**.

J. Assignment

Assignment of interest under this Policy will not bind the Insurer until its consent is endorsed hereon.

K. Conformity to Statute

Any terms of this Policy which are in conflict with the terms of any applicable laws are hereby amended to conform to such laws.

L. No Action Against the Insurer

1. No action shall be taken against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, and until the **Insureds'** obligation to pay shall have been finally determined by an adjudication against the **Insureds** or by written agreement of the **Insureds**, the claimant or claimants and the Insurer;
2. No person or organization shall have any right under this Policy to join the Insurer as a party to any **Claim** against the **Insureds**; nor may the Insurer be impleaded by any **Insured** or such **Insured's** legal representative in any such **Claim**.

M. Corporation Represents Insureds

By acceptance of this Policy, the **Corporation** is designated to act on behalf of the **Insureds** for all purposes under this Policy, including but not limited to the giving and receiving of all notices and correspondence, the cancellation or non-renewal of this Policy, the payment of premiums, and the receipt of any return premiums that may be due under this Policy.

N. Bankruptcy or Insolvency

No bankruptcy or insolvency of any **Insured** will relieve the Insurer of any of its obligations under this Policy.

O. Application of Coverage Parts

All Coverage Parts are subject to these GENERAL TERMS AND CONDITIONS. Except as stated in these GENERAL TERMS AND CONDITIONS or unless specifically stated otherwise in any Coverage Part or endorsement, the provisions of each Coverage Part will apply only to that Coverage Part and will in no way limit, increase or affect the coverage afforded under any other Coverage Part. If any provision in these GENERAL TERMS AND CONDITIONS is inconsistent or in conflict with the terms and conditions of any Coverage Part, the terms and conditions of that Coverage Part will control for the purposes thereof.

P. OFAC Disclosure

The Office of Foreign Assets Control ("OFAC") administers and enforces U.S. sanctions policy, based on Presidential declarations of "national emergency." OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations and narcotics traffickers as "Specially Designated Nationals and Blocked Persons"; this list can be located on the website for the United States Department of the Treasury (www.treas.gov/ofac). In accordance with OFAC regulations, if it is determined that any **Insured**, or any person or entity claiming the benefits of this insurance, has violated U.S. sanctions law or is a Specially Designated Nationals and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance will be immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments or premium refunds may be made without authorization from OFAC. Other limitations on premiums and payment may also apply.

Q. Headings

The headings of the various sections of this Policy are intended for reference only and are not to form part of the terms and conditions of coverage.

R. Entire Agreement

By acceptance of this Policy, the **Insureds** agree that this Policy (including the Declarations, the **Proposal Form** and the Coverage Parts specified in ITEM 4 of the Declarations), and any written endorsements attached hereto constitute the entire agreement between the parties relating to this insurance. The terms, conditions and limitations of this Policy can be waived or changed only by written endorsement.

DIRECTORS AND OFFICERS LIABILITY COVERAGE PART

THIS IS A CLAIMS-MADE POLICY WITH COSTS OF DEFENSE INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the insurance company shown in the Declarations (the "Insurer"), including the statements made in the **Proposal Form**, and subject to all terms, conditions and limitations of this Policy, the **Insureds** and the Insurer agree:

Section I. Insuring Agreements

- A. The Insurer will pay to or on behalf of the **Insured Persons** all **Loss** which the **Insured Persons** are legally obligated to pay as a result of a **Claim** first made against the **Insured Persons** during the **Policy Period** or the Discovery Period, if purchased, for a **Wrongful Act** by the **Insured Persons**, except for **Loss** which the **Company** actually pays as advancement or indemnification.
- B. The Insurer will pay to or on behalf of the **Company** all **Loss** which the **Insured Persons** are legally obligated to pay as a result of a **Claim** first made against the **Insured Persons** during the **Policy Period** or the Discovery Period, if purchased, for a **Wrongful Act** by the **Insured Persons**, but only to the extent the **Company** is required or permitted by law to pay such **Loss** to or on behalf of the **Insured Persons** as advancement or indemnification.
- C. If it is stated in ITEM 4 of the Declarations that the Optional Entity Coverage under INSURING AGREEMENT C of this Coverage Part has been purchased, the Insurer will pay to or on behalf of the **Company** all **Loss** which the **Company** is legally obligated to pay as a result of a **Claim** first made against it during the **Policy Period** or the Discovery Period, if purchased, for a **Wrongful Act** by the **Company**.
- D. If it is stated in ITEM 4 of the Declarations that the Optional Investigation Costs Coverage under INSURING AGREEMENT D of this Coverage Part has been purchased, the Insurer will pay to, or on behalf of the **Company**, **Investigation Costs** which the **Company** is legally obligated to pay as a result of a **Derivative Demand** first received by the **Company** during the **Policy Period** or the Discovery Period, if purchased.

Section II. Definitions

- A. For purposes of this Coverage Part, the term "**Claim**" will include an administrative or regulatory investigation of an **Insured Person** which is commenced by the filing or issuance of a notice of charges, formal investigative order or similar document specifically identifying in writing such **Insured Person** as a person against whom a **Claim**, as defined in Section II.A of the GENERAL TERMS AND CONDITIONS, may be brought. "**Claim**" will also include an extradition order or similar document.
- B. "**Derivative Demand**" will mean any written demand by or on behalf of any holder of securities issued by the **Company**, in his or her capacity as such, made upon the board of directors or managers of the **Company** to bring a civil proceeding against one or more of the **Insured Persons** for a **Wrongful Act**, but only if such demand is made totally independently of, and without the solicitation, assistance, active participation or intervention of, the **Company** or any **Insured Person**.
- C. "**Employee**" will mean:
 - 1. any individual whom the **Company** compensates by wages, salary and/or commissions and whose labor or service is directed by the **Company**, whether such individual performs such labor or service on a full-time, part-time, seasonal or temporary basis;

2. any individual who performs labor or services for the **Company** as a volunteer; and
3. any individual who is leased or loaned to the **Company** to perform labor or service for the **Company**, but only if the **Company** provides indemnification to such individual in the same manner and to the same extent as to its other **Employees**.

D. For purposes of this Coverage Part, the term **"Insured"** will mean the **Company** and all **Insured Persons**.

E. For purposes of this Coverage Part, the term **"Insured Person"** will mean:

1. any past, present or future duly elected or appointed director, officer or member of the board of managers or management committee of the **Company**;
2. any in-house general counsel of the **Company**;
3. any executive of the **Company** located outside of the United States of America who holds a position with respect to the **Company** equivalent to any position described in Sections II.C.1 or II.C.2 above; or
4. any **Employee**.

F. **"Investigation Costs"** will mean reasonable and necessary expenses incurred by the **Company** or any committee of the **Company's** board of directors or managers in the investigation and evaluation of a **Derivative Demand**; provided, however, that **Investigation Costs** will not include salaries, wages, overhead or benefit expenses associated with any **Insured**.

G. For purposes of this Coverage Part, the term **"Loss"** will include pre- and post-judgment interest and, if it is stated in ITEM 4 that Optional Investigation Costs Coverage has been purchased, **Investigation Costs**. **"Loss"** shall not include any portion of damages, judgments or settlements arising out of any **Claim** alleging that the **Company** paid an inadequate price or consideration for the purchase of the **Company's** securities.

With respect to any **Claim** arising out of any Public or Private Offering of Securities of the **Company**, the Insurer shall not assert that the portion of any settlement and/or **Costs of Defense** of that **Claim** which relates to any alleged violations of Section 11 or 12 of the Securities Act of 1933, as amended, constitutes uninsurable loss and shall treat that portion of such settlement and/or **Cost of Defense** as constituting **Loss** under the Policy.

H. **"Outside Capacity"** will mean service by an **Insured Person** as a director, officer, trustee, regent, governor or equivalent executive of an **Outside Entity**, but only if such service is with the knowledge and consent of, or at the request of, the **Company**.

I. **"Outside Entity"** will mean any corporation or organization other than the **Company** which is exempt from taxation under Sections 501(c)(3) - (10), 501(c)(19), 501(d) or 509(a)(1) - (3) of the Internal Revenue Code of 1986, as amended, or any rule or regulation promulgated thereunder.

J. For purposes of this Coverage Part, the term **"Wrongful Act"** will mean:

1. any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty by any **Insured Person** in his or her capacity as such with the **Company**;
2. any matter claimed against any **Insured Person** solely by reason of his or her status with the **Company**;
3. any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty by any **Insured Person** in his or her **Outside Capacity**; or

4. with respect only to coverage under INSURING AGREEMENT C, if purchased, any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty by the **Company**.

Section III. Exclusions

A. The Insurer will not be liable under this Coverage Part to make any payment of **Loss**, including **Costs of Defense**, in connection with any **Claim** made against any **Insured**:

1. brought about or contributed to by:
 - a. the gaining by any **Insured** of any profit, advantage or remuneration to which such **Insured** was not legally entitled; or
 - b. the deliberately fraudulent or criminal acts of any **Insured**;provided, however: (i) this exclusion shall only apply if it is finally adjudicated such conduct in fact occurred; (ii) this exclusion shall not apply to coverage provided under Insuring Agreement B; and (iii) sub-paragraph (a) of this exclusion above shall not apply to any **Claim** arising out of an initial public offering, secondary public offering, a follow-on public offering, or private placement offering of securities of the **Company**;
2. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any **Wrongful Act** or **Related Wrongful Act** or any fact, circumstance or situation which has been the subject of any notice given under any other policy of which this Coverage Part is a renewal or replacement;
3. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any prior and/or pending civil, criminal, administrative or investigative proceeding involving the **Company**, any **Insured** as of the Prior and Pending Date stated in ITEM 7 of the Declarations, or any fact, circumstance or situation underlying or alleged in such proceeding;
4. for any actual or alleged:
 - a. bodily injury, sickness, disease or death of any person, mental anguish, emotional distress, invasion of privacy, trespass, nuisance, wrongful entry or eviction, assault, battery, loss of consortium, false arrest, false imprisonment, malicious prosecution, abuse of process, libel, defamation or slander; or
 - b. damage to or destruction of any tangible property, including the loss of use thereof;
5. for any actual or alleged violation of the Employee Retirement Income Security Act of 1974, as amended, or any rules or regulations promulgated thereunder;
6. for any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty by any **Insured Person** in his or her capacity as an **Employee**, director, officer, trustee, regent, governor or equivalent executive of any entity other than the **Company** or an **Outside Entity**, even if directed or requested by the **Company** to serve in such capacity;
7. for any **Wrongful Act** of any **Insured Person** in his or her **Outside Capacity** with respect to any **Outside Entity**, if such **Claim** is brought by or on behalf of the **Outside Entity** or any **Employee**, director, officer, trustee, regent, governor or equivalent executive thereof;
8. by or on behalf of any **Insured** or any security holder of the **Company**; provided, however, that this exclusion shall not apply to any **Claim**:

- a. brought by any **Insured** where such **Claim** is in the form of a cross-claim or third party claim for contribution or indemnity which is part of and results directly from a **Claim** which is not otherwise excluded by the terms of this Coverage Part; or
 - b. brought by any security holder of the **Company**, whether directly or derivatively, if the security holder bringing such **Claim** is acting totally independently of, and without the solicitation, assistance, active participation or intervention of, the **Company** or any **Insured Person**;
 - c. brought in any bankruptcy proceeding by or against any entity included within the term "**Company**" by any creditors committee, examiner, trustee, receiver, liquidator or rehabilitator appointed with respect to such entity;
 - d. brought by any **Insured Person** who has neither served in such capacity nor as consultant to any entity included within the term "**Company**" for at least three (3) years prior to such **Claim** having been first made;
 - e. brought by any **Insured Person** of any entity included within the term "**Company**" formed and operating outside the United States of America or any of its territories or possessions against such **Company** or any **Insured Person** thereof, if such **Claim** is brought and maintained outside the United States of America, Canada or any other common law jurisdiction; or
 - f. arises out of, is based upon, or is attributable to any whistleblower activity, including but not limited to any such activity protected under the Sarbanes-Oxley Act of 2002, the False Claims Act, or any similar federal, state, local or foreign law or statute;
9. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged seepage, pollution, radiation, emission or contamination of any kind; provided, however, that this exclusion shall not apply to any **Claim** alleging any violation of the securities laws of the United States of America, brought by a security holder of the **Company** if the security holder bringing such **Claim** is acting totally independently of, and without the solicitation, assistance, active participation or intervention of, the **Company** or any **Insured Person**;
10. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any initial public offering of the **Company's** securities or any registration statement or prospectus related thereto; provided, however, that if such initial public offering is not completed or consummated, this exclusion will not apply to **Wrongful Acts** in connection with the **Company's** preparation for such initial public offering, including any related road show, or its failure to go public.
11. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving the performance by any **Insured** of professional services for others for a fee or other compensation or remuneration; provided, however, that this exclusion will not apply to any **Claim** brought by a security holder of the **Company**, alleging any violation of the securities laws of the United States of America, if the security holder bringing such **Claim** is acting totally independently of, and without the solicitation, assistance, active participation or intervention of, the **Company** or any **Insured Person**, or brought by a security holder of the **Company** alleging that the **Insured Persons** failed to supervise or manage or were negligent in supervising or managing the **Insureds'** performance of professional services for others for a fee or other compensation or remuneration;
12. for any **Wrongful Act** of any **Subsidiary** or the **Insured Persons** of such **Subsidiary** or any entity that merges with the **Company** or the **Insured Persons** of such entity that merges with the **Company** occurring:
- a. prior to the date such entity became a **Subsidiary** or was merged with the **Company**;

- b. subsequent to the date such entity became a **Subsidiary** or was merged with the **Company** which, together with a **Wrongful Act** occurring prior to the date such entity became a **Subsidiary** or was merged with the **Company**, would constitute **Related Wrongful Acts**; or
- c. subsequent to the date the **Corporation** ceased to own, directly or indirectly, more than fifty percent (50%) of the voting stock of such **Subsidiary**.

B. The Insurer will not be liable under the Optional Entity Coverage under INSURING AGREEMENT C, if purchased, to make any payment of **Loss**, including **Costs of Defense**, in connection with any **Claim** made against the **Company**:

- 1. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any liability under any contract or agreement; provided, however, that this exclusion will not apply to the extent the **Company** would have been liable in the absence of such contract or agreement;
- 2. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged:
 - a. wrongful dismissal, discharge or termination;
 - b. sexual or other workplace harassment, including quid pro quo and hostile work environment;
 - c. unlawful employment discrimination;
 - d. employment-related invasion of privacy, defamation (including libel and slander) or negligent or intentional infliction of emotional distress;
 - e. failure of the **Company** to create, provide for or enforce adequate or consistent employment-related policies;
 - f. retaliatory treatment on account of an **Employee's** exercise or attempted exercise of his or her employment-related rights under law, including but not limited to Sections 806 and 1107 of the Sarbanes - Oxley Act of 2002;
 - g. violation of employment-related civil rights relating to any of the above; or
 - h. violation of the Family and Medical Leave Act of 1993;
- 3. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged infringement or misappropriation of copyright, patent, trademark, trade name, trade dress, service mark, trade secrets or other intellectual property, however this exclusion will not apply to a **Claim** alleging any violation of the securities laws of the United States, brought by a security holder of the **Company** if the security holder bringing such **Claim** is acting totally independently of, and without the solicitation, assistance, active participation or intervention of, the **Company** or any **Insured Person**;
- 4. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged price fixing, restraint of trade, monopolization, unfair trade practices or violation of the Federal Trade Commission Act, the Sherman Anti-Trust Act, the Clayton Act, or any other statute or law regulating anti-trust, monopoly, price fixing, price discrimination, predatory pricing or activities in restraint of trade.

- C. For the purpose of determining the applicability of the foregoing exclusions, no **Wrongful Act** of any **Insured Person** shall be imputed to any other **Insured Person**, and only the **Wrongful Acts** of any president, chief executive officer or chief financial officer of the **Company** shall be imputed to the **Company**.

Section IV. Claims Against Insured Persons for Wrongful Acts in Their Outside Capacity

- A. In the event a **Claim** is made against an **Insured Person** for **Wrongful Acts** in his or her **Outside Capacity** with respect to any **Outside Entity**, the coverage afforded under this Coverage Part in respect of such **Claim** will be specifically excess of, and will not contribute with, any insurance available to such **Insured Person** from such **Outside Entity** and any advancement or indemnification such **Outside Entity** is required or permitted to make to such **Insured Person**. If the Insurer shall have issued any policy or policies of insurance to such **Outside Entity**, payment by the Insurer under any such policy in respect of such **Claim** will reduce and may therefore exhaust, by the amount of such payment, the Insurer's Limit of Liability available under this Coverage Part for such **Claim**.
- B. For purposes of this Section IV, the certificate of incorporation, charter or other organizational documents of each **Outside Entity**, including by-laws and resolutions, will be deemed to require advancement and indemnification of **Loss** to such **Outside Entity's** directors, officers, trustees, regents, governors and equivalent executives to the fullest extent permitted by law.

Section V. Additional Excess Aggregate Limit of Liability

- A. Notwithstanding anything in this Policy or this Coverage Part to the contrary, the Additional Excess Aggregate Limit of Liability Dedicated for Directors and Officers will be an additional Excess Limit of Liability in an aggregate amount not to exceed the amount stated in Item 5.a.ii of the Declarations, which amount is in addition to and not part of the Limits of Liability stated in Item 5.a. of the Declarations.

In the event the Additional Excess Aggregate Limit of Liability Dedicated for Directors and Officers is exhausted by payment of **Loss**, or has been tendered to or on behalf of Directors and Officers, then any and all obligations of the Insurer hereunder shall be deemed to be completely fulfilled and extinguished.

- B. No coverage shall be provided by Section V of this Coverage Part for the first **Claim** made for which coverage is provided under this Coverage Part. This Additional Excess Aggregate Limit of Liability Dedicated for Directors and Officers is available solely for **Loss** resulting from any subsequent **Claim** that is covered under Insuring Agreement A of this Coverage Part. The first **Claim** made for which coverage is provided under this Coverage Part shall be determined by the chronological time such **Claim** was made regardless of when coverage is acknowledged by the Insurer.
- C. The Additional Excess Aggregate Limit of Liability Dedicated for Directors and Officers shall be excess of any insurance available to pay **Loss** for such **Claims**, including this Policy and all insurance that is specifically excess to this Policy. Such excess insurance must be completely exhausted by payment of loss, damages or costs of defense, as those terms are defined by such excess insurance, before the Insurer shall have any obligation to make any payment on account of the Additional Excess Aggregate Limit of Liability Dedicated for Directors and Officers.

D. For purposes of this provision only, Directors and Officers shall only mean:

1. any past, present or future duly elected or appointed director, officer or member of the board of managers or management committee of the **Company**;
2. any in-house general counsel of the **Company**; or
any executive of the **Company** located outside of the United States of America who holds a position with respect to the **Company** equivalent to any position described in Sections V.D.1 or V.D.2 above.

Section VI. Waiver of Retention under Certain Circumstances

- A. No retention will apply under this Coverage Part to **Loss**, including **Costs of Defense**, incurred by the **Insured Persons** if advancement or indemnification of such **Loss** by the **Company** is neither required nor permitted under applicable law or, if advancement or indemnification of such **Loss** by the **Company** is required or permitted under applicable law, such advancement or indemnification is not made solely by reason of the **Company's Financial Insolvency**.
- B. If, in connection with any **Claim**, a final adjudication, with prejudice, pursuant to a trial, motion to dismiss or motion for summary judgment or a complete and final settlement, with prejudice, establishes that no **Insured** is liable for any **Loss** in connection with such **Claim**, no retention will apply to **Costs of Defense** incurred in connection with such **Claim** and, subject to all other terms, conditions and limitations of this Policy applicable to this Coverage Part, the Insurer will reimburse the **Insureds** for any covered **Costs of Defense** paid by them in connection with such **Claim**.

Section VII. Sub-Limit of Liability and Retention Applicable to Investigation Costs

- A. The Insurer's maximum aggregate Limit of Liability for **Investigation Costs** will be the amount set forth in ITEM 5.a.i of the Declarations, which amount will be part of, and not in addition to, the Insurer's maximum aggregate Limit of Liability for all **Loss** under this Coverage Part as set forth in ITEM 5.a of the Declarations.
- B. No retention amount will apply to **Investigation Costs** payable under this Coverage Part.

Section VIII. Order of Payments

- A. **Loss**, including **Costs of Defense**, covered under this Coverage Part will be paid by the Insurer in the following order:
 - 1. first, the Insurer will pay such **Loss**, including **Costs of Defense**, covered under INSURING AGREEMENT A of this Coverage Part;
 - 2. with respect to whatever amount of the Insurer's Limit of Liability under this Coverage Part remains after the payment of **Loss**, including **Costs of Defense**, covered under INSURING AGREEMENT A of this Coverage Part, the Insurer will then pay such **Loss**, including **Costs of Defense**, covered under INSURING AGREEMENT B of this Coverage Part; and
 - 3. with respect to whatever amount of the Insurer's Limit of Liability under this Coverage Part remains after the payment of **Loss**, including **Costs of Defense**, covered under INSURING AGREEMENTS A and B of this Coverage Part, the Insurer will then pay such **Loss**, including **Costs of Defense**, covered under INSURING AGREEMENT C of this Coverage Part; and
 - 4. with respect to whatever amount of the Insurer's Limit of Liability under this Coverage Part remains after the payment of **Loss**, including **Costs of Defense**, covered under INSURING AGREEMENTS A, B and C of this Coverage Part, the Insurer will then pay such other **Loss**, including **Costs of Defense**, covered under this Coverage Part.
- B. Nothing in this Section VIII is intended, nor shall it be construed, to increase the Insurer's maximum aggregate Limit of Liability applicable to **Loss**, including **Costs of Defense**, under this Coverage Part.

EMPLOYMENT PRACTICES LIABILITY COVERAGE PART

THIS IS A CLAIMS-MADE POLICY WITH COSTS OF DEFENSE INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the insurance company shown in the Declarations (the "Insurer"), including the statements made in the **Proposal Form**, and subject to all terms, conditions and limitations of this Policy, the **Insureds** and the Insurer agree:

Section I. Insuring Agreement

The Insurer will pay to or on behalf of the **Insureds** all **Loss** which the **Insureds** are legally obligated to pay as a result of a **Claim** first made against the **Insureds** during the **Policy Period** or the Discovery Period, if purchased, for a **Wrongful Act** by an **Insured** in his, her or its capacity as such.

Section II. Definitions

- A. For purposes of this Coverage Part, the term "**Claim**" will include a formal administrative or regulatory proceeding by or before the Equal Employment Opportunity Commission or any similar federal, state or other governmental agency which is commenced by the receipt by an **Insured** of a notice of charges, formal investigative order or similar document and an audit conducted by the Office of Federal Contract Compliance Programs which is commenced by the receipt by an **Insured** of a notice of violation, order to show cause or written demand for monetary or injunctive relief, but **Claim** will not include any labor or grievance arbitration or other proceeding which is subject to a collective bargaining agreement.
- B. "**Employee**" will mean:
1. any individual whom the **Company** compensates by wages, salary and/or commissions and whose labor or service is directed by the **Company**, whether such individual performs such labor or service on a full-time, part-time, seasonal or temporary basis;
 2. any individual who performs labor or services for the **Company** as a volunteer;
 3. any individual who is leased or loaned to the **Company** to perform labor or service for the **Company**, but only if the **Company** provides indemnification to such individual in the same manner and to the same extent as to its other **Employees**; and
 4. any individual contracted to perform work for the **Company** or who is an independent contractor for the **Company**, but only if, prior to any **Claim** against such individual, the **Company** shall have agreed in writing to provide indemnification to such individual for matters within the scope of coverage of this Coverage Part, and the **Company** shall have paid any additional premium required by the Insurer in connection with such individual.
- C. For purposes of this Coverage Part, the term "**Insured**" will mean the **Company** and all **Insured Persons**.
- D. For purposes of this Coverage Part, the term "**Insured Person**" will mean:
1. any duly elected or appointed principal, partner, director, officer, trustee, in-house general counsel, risk manager or member of the board of managers or management committee of the **Company**;

2. any executive of the **Company** located outside of the United States of America who holds a position with respect to the **Company** equivalent to any position described in Sections II.D.1 above; or
3. any **Employee**.

E. For purposes of this Coverage Part, the term "**Loss**" will include awards of front pay and back pay and liquidated damages awarded pursuant to the Age Discrimination in Employment Act or the Equal Pay Act, but **Loss** will not include:

1. any costs associated with the modification of any building or property to provide any reasonable accommodations required by or made as a result of or to conform with the requirements of the Americans with Disabilities Act, the Civil Rights Act of 1964 or any similar federal, state or local law; or
2. any compensation, including benefits, for any person hired, promoted or reinstated pursuant to a judgment settlement, order or other resolution of a Claim.

F. "**Third Party Wrongful Act**" will mean any actual or alleged:

1. discrimination against any natural person, other than an **Employee** or applicant for employment with the **Company**, who is a customer, vendor, service provider or other business invitee of the **Company**, based on such person's age, gender, race, color, national origin, religion, creed, marital status, sexual orientation or preference, pregnancy, disability, HIV or other health status, Vietnam Era veteran or other military status, or other protected status or characteristic under federal, state or local law; or
2. sexual harassment, including unwelcome sexual advances, requests for sexual favors or other offensive conduct of a sexual nature, against any natural person, other than an **Employee** or applicant for employment with the **Company**, who is a customer, vendor, service provider or other business invitee of the **Company**.

G. For purposes of this Coverage Part, the term "**Wrongful Act**" will mean:

1. any actual or alleged:
 - a. wrongful dismissal, discharge or termination (whether actual, constructive or retaliatory) of employment, wrongful failure or refusal to hire or promote, wrongful discipline or demotion, wrongful deprivation of career opportunity, negligent employment evaluation or failure to grant tenure;
 - b. sexual or other workplace harassment, including quid pro quo and hostile work environment;
 - c. unlawful employment discrimination, including discrimination based on a person's age, gender, race, color, national origin, religion, creed, marital status, sexual orientation or preference, pregnancy, disability, HIV or other health status, Vietnam Era veteran or other military status, or other protected status or characteristic under federal, state or local law, including but not limited to:
 - Title VII of the Civil Rights Act of 1964;
 - the Equal Pay Act of 1963;
 - the Age Discrimination Act of 1967;
 - Sections 501 and 502 of the Rehabilitation Act of 1973;
 - the Uniformed Services Employment and Reemployment Rights Act; and
 - Titles I and IV of the Americans with Disabilities Act of 1990;
 - d. employment-related invasion of privacy, defamation (including libel and slander) or negligent or intentional infliction of emotional distress;

- e. failure of the **Company** to create, provide for or enforce adequate or consistent employment-related policies;
 - f. retaliatory treatment on account of an **Employee's** exercise or attempted exercise of his or her employment-related rights under law, including but not limited to Sections 806 and 1107 of the Sarbanes-Oxley Act of 2002;
 - g. violation of employment-related civil rights relating to any of the above; or
 - h. violation of the Family and Medical Leave Act of 1993;
- committed or attempted, or allegedly committed or attempted, with respect to an **Employee** or an applicant for employment with the **Company**; and
- 2. if it is stated in ITEM 4 of the Declarations that the Optional Third Party Coverage under this Coverage Part has been purchased, any **Third Party Wrongful Act**.

Section III. Exclusions

- A. The Insurer will not be liable under this Coverage Part to make any payment of **Loss**, including **Costs of Defense**, in connection with any **Claim** made against any **Insured**:
 - 1. brought about or contributed to by:
 - a. the gaining by any **Insured** of any profit, advantage or remuneration to which such **Insured** was not legally entitled; or
 - b. the deliberately fraudulent or criminal acts of any **Insured**;

provided, however, this exclusion will apply only if it is finally adjudicated that such conduct in fact occurred;
 - 2. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any **Wrongful Act** or **Related Wrongful Act** or any fact, circumstance or situation which has been the subject of any notice given under any other policy of which this Coverage Part is a renewal or replacement;
 - 3. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any prior and/or pending civil, criminal, administrative or investigative proceeding or Office of Federal Contract Compliance Programs audit involving any **Insured** as of the Prior and Pending Date stated in ITEM 7 of the Declarations, or any fact, circumstance or situation underlying or alleged in any such proceeding or audit;
 - 4. for any actual or alleged:
 - a. bodily injury, sickness, disease or death of any person (other than employment-related mental anguish, emotional distress or humiliation), invasion of privacy, trespass, nuisance, wrongful entry or eviction, assault, battery, loss of consortium, false arrest, false imprisonment, malicious prosecution or abuse of process; or
 - b. damage to or destruction of any tangible property, including the loss of use thereof;
 - 5. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any **Insured Person's** activities as an employee, director, officer, trustee, regent, governor or equivalent executive of any employee trust, charitable or other organization, corporation, company or business other than the **Company**;

6. for recovery of any amounts owing under, or assumed by any **Insured** pursuant to, any contract with an independent contractor, express contract of employment or any express obligation to make payments in the event of a termination of employment; provided, that this exclusion will not apply to liability which an **Insured** would have had in the absence of such express contract or obligation;
 7. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any stock, stock options or stock appreciation rights, whether vested or unvested, including without limitation restricted stock, to which any claimant is or is alleged to be entitled pursuant to a plan or agreement with the **Company**;
 8. for compensation earned by any claimant in the course of employment but not paid for any reason by the **Company**, including any unpaid salary, wages, bonuses, overtime, severance pay, retirement benefits, prerequisites, fringe benefits, vacation days, sick days and medical benefits or insurance to which a claimant is or is alleged to be entitled had the **Company** provided the claimant with a continuation or conversion of such benefits or insurance (or the equivalent value of any such compensation or benefits allegedly earned but not paid);
 9. Based upon, arising out of, or attributable to directly or indirectly, in connection with, related to or in any way involving any Claims alleging violations of any federal, state or local wage and hour law;
 10. for any actual or alleged violation of the responsibilities, obligations or duties imposed on any **Insured** by any workers' compensation, unemployment compensation, disability, retirement, social security or other employment benefit statute, rule or law, including but not limited to the Employee Retirement Income Security Act of 1974, the Worker Adjustment and Retraining Notification Act, the Fair Labor Standards Act (except the Equal Pay Act of 1963), the Occupational Safety and Health Act or the Consolidated Omnibus Budget Reconciliation Act of 1985 or any similar state laws; provided, that this exclusion will not apply to any allegation of any retaliatory treatment on account of an **Employee's** exercise or attempted exercise of his or her employment-related rights under any of the foregoing;
 11. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged seepage, pollution, radiation, emission or contamination of any kind; provided, however, that this exclusion will not apply to any allegation of any retaliatory treatment on account of an **Employee's** exercise or attempted exercise of his or her employment-related rights;
 12. for any **Wrongful Act** of any **Subsidiary** or the **Insured Persons** of such **Subsidiary** or any entity that merges with the **Company** or the **Insured Persons** of such entity that merges with the **Company** occurring:
 - a. prior to the date such entity became a **Subsidiary** or was merged with the **Company**;
 - b. subsequent to the date such entity became a **Subsidiary** or was merged with the **Company** which, together with a **Wrongful Act** occurring prior to the date such entity became a **Subsidiary** or was merged with the **Company**, would constitute **Related Wrongful Acts**; or
 - c. subsequent to the date the **Corporation** ceased to own, directly or indirectly, more than fifty percent (50%) of the voting stock of such **Subsidiary**;
- B. The Insurer will not be liable under the Optional Third Party Coverage under this Coverage Part, if purchased, to make any payment of **Loss**, including **Costs of Defense**, in connection with any **Claim** made against any **Insured** for any **Third Party Wrongful Act** based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged price fixing, restraint of trade, monopolization, unfair trade practices or violation of the Federal Trade

Commission Act, the Sherman Anti-Trust Act, the Clayton Act, or any other statute or law regulating anti-trust, monopoly, price fixing, price discrimination, predatory pricing or activities in restraint of trade.

- C. For the purpose of determining the applicability of the foregoing exclusions, no **Wrongful Act** of any **Insured Person** shall be imputed to any other **Insured Person**. The **Wrongful Acts** of any past, present or future chairman of the board, president, chief executive officer, chief operating officer or chief financial officer of the **Company** shall be imputed to the **Company**.

Section IV. Coordination of Coverage

- A. If a **Claim** made against the **Insureds** is covered under this Coverage Part and under any other Coverage Part forming a part of this Policy, the Insurer will first pay **Loss**, including **Costs of Defense**, in connection with such **Claim** under this Coverage Part, and then, with respect to whatever amount of the Insurer's limit of liability under this Policy remains after the payment of **Loss**, including **Costs of Defense**, covered under this Coverage Part, the Insurer will pay such **Loss**, including **Costs of Defense**, which is covered under any other Coverage Part forming a part of this Policy.
- B. If notice of a **Claim** has been given under any other Coverage Part forming a part of this Policy and the Insurer determines that such **Claim** would be covered under this Coverage Part had notice been given hereunder, the **Insureds** will be deemed to have given notice of such **Claim** under this Coverage Part at the same time that notice of such **Claim** was given under such other Coverage Part.

Section V. Waiver of Retention under Certain Circumstances

No retention will apply under this Coverage Part to **Loss**, including **Costs of Defense**, incurred by the **Insured Persons** if advancement or indemnification of such **Loss** by the **Company** is neither required nor permitted under applicable law or, if advancement or indemnification of such **Loss** by the **Company** is required or permitted under applicable law, such advancement or indemnification is not made solely by reason of the **Company's Financial Insolvency**.

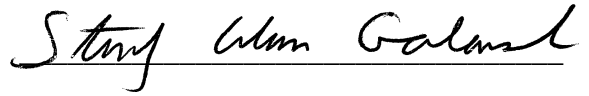
Section VI. Investigation and Settlement

The Insurer shall have the right but not the obligation to make any investigation it deems expedient and with the consent of the **Insureds** against whom the **Claim** has been made or the **Company** on behalf of the **Insureds**, make settlement within the available Limit of Liability applicable to this Coverage Part (whether above or below the applicable Retention). If the **Insureds**, or the **Company** on behalf of the **Insureds**, shall refuse to consent to any settlement recommended by the Insurer and shall act to contest or continue any actions or proceedings in connection with such **Claim**, then, subject to the available Limit of Liability and the applicable Retention, the Insurer's liability for all **Loss** in connection with such **Claim** shall not exceed the amount for which the **Claim** could have been settled, plus the reasonable **Costs of Defense** incurred with the Insurer's consent up to the date of refusal to consent by the **Insured** and/or the **Company**.

In Witness Whereof, the issuing Company has caused this policy to be signed officially below and countersigned on the Declarations page by a duly authorized representative of said Company.

Handwritten signature of Emily B. Miner in black ink, written over a horizontal line.

Emily B. Miner
Secretary

Handwritten signature of Stanley A. Galanski in black ink, written over a horizontal line.

Stanley A. Galanski
President

Navigators Insurance Company

ENDORSEMENT NO.: 1

This endorsement, effective 12:01 am, July 1, 2012

Forms part of policy number: NY12DOL617813IV

Issued to: Absorbent Technologies, Inc.

By: Navigators Insurance Company

OREGON CANCELLATION NONRENEWAL ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

- I. **Section III., Discovery Coverage Extensions, A.** is deleted in its entirety and replaced with the following:
- A. In the event the Insurer or the **Corporation** refuses to renew this Policy or the Insurer or the **Corporation** chooses to cancel or not renew this Policy, the **Corporation** shall have the right, upon payment of seventy-five percent (75%) of the annual premium, (or if the **Policy Period** is other than annual, seventy-five percent (75%) of the annualized premium), to an extension of the coverage provided by this Policy with respect to any **Claim** first made against any **Insured** during the period of twelve (12) months after the end of the **Policy Period** (the "Discovery Period), but only with respect to any **Wrongful Act** committed or attempted or allegedly committed or attempted before the end of the **Policy Period**. As a condition precedent to the right to purchase the Discovery Period, the total premium for this Policy must have been paid, and a written request together with payment of the appropriate premium for the Discovery Period must be provided to the Insurer no later than thirty (30) days after the end of the **Policy Period**. The purchase of the Discovery Period will not in any way increase any Limit of Liability, or create a separate or additional Limit of Liability, applicable to any Coverage Part or to this Policy as a whole, and the Limits of Liability with respect to **Claims** made during the Discovery Period will be part of, and not in addition to, the applicable Limit or Limits of Liability as set forth in ITEM 5 of the Declarations.
- II. **Section VIII., General Conditions, E. Cancellation or Nonrenewal of the General Terms and Conditions** is deleted in its entirety and replaced with the following:
1. The first Named **Insured** shown in the Declarations may cancel this Policy by mailing or delivering to Insurer advance written notice of cancellation.
 2. The Insurer may cancel the Policy for only one or more of the following reasons:
 - a. Non-payment of premium; or

ENDORSEMENT NO.: 1

- b. Determination by the Commissioner that the continuation of the Policy or of a line of insurance or class of business to which this Policy belongs will jeopardize the Insurers' solvency or will place the Insurer in violation of the insurance laws of Oregon.
- 3. The Insurer will mail or deliver to the first Named **Insured** written notice of cancellation, stating the reason for cancellation.
- 4. Cancellation will not be effective until at least 10 days after the **Insured** receives our notice.
- 5. Nonrenewal

The Insurer may elect not to renew this Policy by mailing or delivering to the first Named **Insured**, at the last mailing address known to the Insurer, written notice of nonrenewal before the:

- a. Expiration date of the Policy; or
- b. Anniversary date of the Policy if the Policy is written for a term of more than one year or without a fixed expiration date.

However, if this Policy is issued for a term of more than one year and for additional consideration the premium is guaranteed, the Insurer may not refuse to renew the Policy at its anniversary date.

Nonrenewal will not be effective until at least 30 days after the first Named **Insured** receives our notice.

6. Mailing Of Notices

If notice of cancellation or nonrenewal is mailed, a post office certificate of mailing will be conclusive proof that the first Named **Insured** received the notice on the third calendar day after the date of the certificate of mailing.

- 7. If notice is mailed, proof of mailing will be sufficient proof of notice.

All other terms and conditions of this Policy remain unchanged.

ENDORSEMENT NO.: 2

This endorsement, effective 12:01 am, July 1, 2012

Forms part of policy number: NY12DOL617813IV

Issued to: Absorbent Technologies, Inc.

By: Navigators Insurance Company

STATE AMENDATORY INCONSISTENCY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby agreed and understood that **Section VIII. General Conditions**; is amended by adding the following,

State Amendatory Inconsistency

In consideration of the premium charged, it is hereby understood and agreed that in the event that there is an inconsistency between a state amendatory endorsement attached to this policy and any term or condition of this policy, then it is understood and agreed that, where permitted by law and the public policy of the state of domicile, the **Insurer** shall apply those terms and conditions of either the amendatory endorsement or the policy which are more favorable to the **Insured**.

All other terms and conditions of this Policy remain unchanged.

ENDORSEMENT NO.: 3

This endorsement, effective 12:01 am, July 1, 2012

Forms part of policy number: NY12DOL617813IV

Issued to: Absorbent Technologies, Inc.

By: Navigators Insurance Company

AMEND DISCOVERY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that **General Terms and Conditions, Section III., Discovery - Coverage Extensions, A.,** is deleted in its entirety and replaced with the following:

Section III. Discovery - Coverage Extensions

- A.** In the event the Insurer refuses to renew this Policy or the **Corporation** chooses to cancel or not renew this policy, the **Corporation** will have the right, upon payment of (100%) of the annual premium, (or if the **Policy Period** is other than annual, (100%) of the annualized premium), to an extension of the coverage provided by this Policy with respect to any **Claim** first made against any **Insured** during the period of twelve (12) months after the end of the **Policy Period** (the "Discovery Period"), but only with respect to **Wrongful Acts** committed or attempted, or allegedly committed or attempted, before the end of the **Policy Period**. As a condition precedent to the right to purchase the Discovery Period, the total premium for this Policy must have been paid, and a written request together with payment of the appropriate premium for the Discovery Period must be provided to the Insurer no later than thirty (30) days after the end of the **Policy Period**. The purchase of the Discovery Period will not in any way increase any Limit of Liability, or create a separate or additional Limit of Liability, applicable to any Coverage Part or to this Policy as a whole, and the limits of liability with respect to **Claims** made during the Discovery Period will be part of, and not in addition to, the applicable Limit or Limits of liability as set forth in ITEM 5 of the Declarations.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT NO.: 4

This endorsement, effective 12:01 am, July 1, 2012

Forms part of policy number: NY12DOL617813IV

Issued to: Absorbent Technologies, Inc.

By: Navigators Insurance Company

AMEND SECTION VIII. CHANGES IN EXPOSURE, G1

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that **Section VIII. Changes in Exposure, G.1.**, of the **General Terms and Conditions**, is amended as follows:

“twenty-five percent (25%) of the total assets” is deleted in its entirety and replaced with
"thirty-five percent (35%) of the total assets”.

All other terms and conditions of this Policy remain unchanged.

ENDORSEMENT NO.: 5

This endorsement, effective 12:01 am, July 1, 2012

Forms part of policy number: NY12DOL617813IV

Issued to: Absorbent Technologies, Inc.

By: Navigators Insurance Company

NON RESCINDABLE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that the Policy, is amended by adding the following:

It is understood and agreed that this Policy may not be rescinded.

All other terms and conditions of this Policy remain unchanged.

ENDORSEMENT NO.: 10

This endorsement, effective 12:01 am, November 1, 2013

Forms part of policy number: NY12DOL617813IV

Issued to: Absorbent Technologies, Inc.

By: Navigators Insurance Company

RUN-OFF ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the additional premium of \$11,250, it is agreed that:

1. Section II. **Discovery Period**, is deleted in its entirety.
2. Section IV., **Exclusions**, is amended by adding the following exclusion that shall apply to this Policy:

The Insurer shall not be liable for **Loss** in connection with any **Claim** for, based upon, arising from, or in any way related to any **Wrongful Act** committed or allegedly committed on or after November 1, 2013.
3. Section VIII. **Notice of Claim, B.**, is deleted in its entirety.
4. Section IX., **GENERAL CONDITIONS, A. Cancellation or Non-Renewal**, is deleted in its entirety and replaced with the following:

A. Cancellation or Non-Renewal

The Insurer may cancel this Policy only for non-payment of premium by sending not less than ten (10) days notice to the **Company** at its last known address. The **Company** may not cancel this Policy.
5. Section IX., **GENERAL CONDITIONS**, is amended by adding the following:

Fully Earned Premium

The entire premium for this Policy shall be deemed fully earned as of the Policy inception date.
6. The **Policy Period** shown in the Declarations Page is amended to read:

July 01, 2012 to November 01, 2014
7. The fact that this Policy is extended by virtue of the purchase of this Extended Reporting Period shall not in any way increase the Limits of Liability set forth in the Declarations Page.

ENDORSEMENT NO.: 10

All other terms and conditions of this Policy remain unchanged.

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, *as defined in Section 102 (1) of the Act*: The term “act of terrorism” means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States --to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, THE UNITED STATES GENERALLY PAYS 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PORTION OF YOUR POLICY'S PREMIUM CHARGED FOR THIS COVERAGE IS: \$0 WHICH DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

If you have any questions about this notice, please contact your agent or Broker

Employment Practices Liability Loss Control

Navigators are pleased to announce that Jackson Lewis is our new Risk Management partner. As one of the nation's largest and finest employment law firms providing representation to management in the defense of harassment, discrimination, wrongful discharge or other workplace related claims, Jackson Lewis brings to the table such preventive services as a toll-free hotline, website information and regular risk management publications which provide our insureds with the most current and concise information available.

With over 650 attorneys working in the firm's 46 offices throughout the United States, Jackson Lewis has the national scope and broad geographical expertise to work with our insureds on a timely and helpful basis.

Some of the things you can expect from Jackson Lewis include:

- An 800 # "hotline" to discuss employment matters with experienced employment law counsel
- Access to Jackson Lewis' web-based information, 24 hours a day
- Access to "*Preventive Strategies*", Jackson Lewis' quarterly newsletter
- Complementary attendance at Jackson Lewis human resources and employment law breakfast and Lunch seminars

In addition, Jackson Lewis will provide at a discounted rate the following services:

- Development or review of employee handbooks and other employment practices documentation
- Presentation of supervisory training programs addressing harassment, discrimination and other employment issues
- Risk management audits of wage-hour and overtime practices; harassment avoidance programs; union-avoidance programs; recordkeeping and other compliance efforts; and, other aspects of your Company's employment practices

To utilize Jackson Lewis' risk management services, please contact Paul J. Siegel, Esq., a member of Jackson Lewis LLP, at 631-247-4605 or siegelp@jacksonlewis.com.

**APPLICATION FOR
PRIVATE CORPORATIONS, DIRECTORS, AND OFFICERS LIABILITY INSURANCE
INCLUDING EMPLOYMENT PRACTICES LIABILITY COVERAGE**

NOTICE: THIS APPLICATION IS FOR A CLAIMS MADE POLICY WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD" OR ANY EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED, AND MAY BE EXHAUSTED, BY "DEFENSE EXPENSES," AND "DEFENSE EXPENSES" WILL BE APPLIED AGAINST THE APPLICABLE RETENTION. THE COVERAGE AFFORDED UNDER THIS POLICY DIFFERS IN SOME RESPECTS FROM THAT AFFORDED UNDER OTHER POLICIES. PLEASE READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.

1. GENERAL INFORMATION:

- a) Name of Company Absorbent Technologies, Inc.
- b) Principal Address: 8705 SW Nimbus Avenue, Suite 230
City: Beaverton State: OR ZIP: 97008
- c) State of Incorporation and Date Thereof: Oregon
- d) Nature of Operations: Manufacture and sell all natural starch based superabsorbents for use in agriculture
- e) Name and Title of the officer of the Company designated as the representative to receive all notices from the Underwriter on behalf of all person(s) and entity(ies) proposed for this insurance:
David C. Mollenhauer, COO/CFO

2. CURRENT INSURANCE:

D&O (Directors & Officers Liability)

Carrier(s) NAVIGATORS

Limit \$5mm

Premium \$25,000

Expiration 7-1-2012

Fiduciary Liability

Carrier(s) NA

Limit _____

Premium _____

Expiration _____

EPL (Employment Practices Liability)

Carrier(s) NAVIGATORS

Limit \$3mm

Premium INC

Expiration 7-1-2012

Crime

Carrier(s) NA

Limit _____

Premium _____

Expiration _____

3. MISSOURI APPLICANTS/AGENTS - DO NOT ANSWER THIS QUESTION.

Have any of the Company's D&O or EPL carriers indicated an intent not to offer renewal terms?

☐ Yes ☐ No

(If "Yes," please provide details as an attachment to this Application.)

b) Total number of voting shareholders:

495

c) Please list all directors and officers and their respective percentage of voting shares owned whether directly or beneficially:

Milan Savick 18.6% William Zupnick 5.9%
Joseph Nathan 6.6% all others < 1%

d) Other than those identified in c) above, are there any shareholders who hold greater than five percent (5%)

of the voting shares of the Company whether directly or beneficially?

☐ Yes ☒ No

(If Yes, please list all such shareholders and their respective percentage of voting shares owned whether directly or beneficially:

Owner

Type of Security

% Owned

5. SUBSIDIARY INFORMATION:

a) List all Subsidiary Companies:

NAME	NATURE OF BUSINESS	DATE ACQUIRED OR CREATED	PERCENTAGE OWNED	STATE/COUNTRY OF INCORPORATION
ATI Brazil	Same as ATI	2009	99%	Brazil

6. ADDITIONAL INFORMATION:

- a) Have there been any changes in Executive Officers or Directors during the past 12 months? Are any changes currently anticipated? If yes, provide details and biography. ☐ Yes ☒ No
- b) Has the Company been involved in any merger, consolidation, tender offer, or acquisition of assets or equity securities within the past 12 months? If yes, please provide details. ☐ Yes ☒ No
- c) Is the Company currently involved in or considering any merger, consolidation, tender offer or acquisition of assets or equity securities within the next 12 months? If yes, please provide details. ☐ Yes ☒ No
- d) Is the Company currently involved in or considering any restructuring, write downs, charges, restatements or sale, distribution or divestiture of any assets? If yes, please provide details. ☐ Yes ☒ No
- e) Is the Company currently or has it at any time over the last year been in breach or violation of any debt covenant or loan agreement or any other material contractual obligation? If yes, please provide details. ☒ Yes ☐ No
- f) Please indicate whether the Company in the past thirty-six (36) months has completed or agreed to, or contemplates within the next twelve (12) months, any of the following, whether or not such transactions were or will be completed.
- i. Any registration for a public debt or equity offering or any private placement of debt or equity securities? ☒ Yes ☐ No
If "Yes," please describe the essential terms of each such transaction as an attachment to this Application.
- ii. Any restructuring or legal or financial reorganization or filing for bankruptcy? ☐ Yes ☒ No
If "Yes," please describe the essential terms of each such transaction as an attachment to this Application.
- g) Does the company provide any services to any third party for a fee? ☐ Yes ☒ No
If yes, please provide details

* We have overdue interest payments on loans from shareholders. All shareholders have agreed to let us pay off the overdue interest from the 6-30-12 financing.

If yes, please provide details

7. EMPLOYEES:

- a) Has the Applicant in the past twenty-four (24) months had, or in the next twenty-four (24) months anticipate any full or partial plant, facility, branch or office closing, consolidations or layoffs? ☒ Yes ☐ No

If "Yes," please provide details by attachment to this Application.

- b) If question 7a. is "yes", do you have a formal out-placement program which assists terminated or laid off employees in finding other jobs? ☐ Yes ☒ No

If "Yes", please provide details and copies of all such policies, forms and handbooks together with information regarding the distribution of such policies, forms and handbooks to your employees as an attachment to this application.

- c) Total number of employees:
 Full-Time 45-14
 Part-Time (including seasonal) 0
 Union 0
 Independent Contractors performing services under the exclusive direction of the Applicant 0
 Leased Employees 0
- d) Total number of full-time and part-time employees (excluding independent contractors and leased employees):
 Current 14
 1 Year ago 73
 2 Years ago 58

- e) Please provide the number of full time and part time employees in the following geographical locations:

Location	Full Time	Part Time	Independent Contractors	Leased Employees
California and/or Texas				
Michigan				
All other states	<u>14</u>			
Outside of U.S.	<u>4</u>			
Total	<u>18</u>			

- f) Percentage of employees with salaries (including bonuses):
 Less than \$25,000 _____ %
 \$25,000 - \$50,000 22 %
 \$50,000 - \$100,000 56 %
 Greater than \$100,000 22 %
- g) For the past three (3) years, indicate the number of officers and other employees that have been involuntarily terminated?
15 current year 38 one year ago 0 two years ago
- h) What is the employee turnover rate for each of the past three years?
10 % current year 10 % one year ago 10 % two years ago

- Required when financing complete*
- have a full-time human resources coordinator? ☐ Yes ☒ No
 - have a written policy prohibiting discrimination? ☒ Yes ☐ No
 - have a written policy prohibiting sexual harassment? ☒ Yes ☐ No
 - have a written policy for handling complaints of sexual harassment? ☒ Yes ☐ No
 - require all employees to complete an application for employment? ☒ Yes ☐ No
 - have a written policy for the Family and Medical Leave Act of 1993? ☒ Yes ☐ No
 - have a written policy regarding accommodating the disabled in accordance with the Americans with Disabilities Act ☒ Yes ☐ No
 - have an employee handbook? ☒ Yes ☐ No
 - distribute an employee handbook to all employees? ☒ Yes ☐ No
 - conduct regular written performance evaluations of all its employees ☒ Yes ☐ No
 - have posted policies and procedures? ☒ Yes ☐ No
 - use outside counsel for employment advice including terminations? ☒ Yes ☐ No
 - have a formal "At-Will" statement in the employee handbook and employment application? ☒ Yes ☐ No
 - require independent contractors performing services under the exclusive direction of the Company be subject to the Company's human resources policies? ☒ Yes ☐ No

9. Does the Company have policies or procedures outlining employee conduct when dealing with the general public or persons outside of the Company's direction or control?
If "Yes," please provide a copy. ☒ Yes ☐ No

10. Does the Company have policies or procedures for dealing with complaints from the general public, customers, clients, patrons, visitors, or other third parties for issue involving harassment or discrimination?
If "Yes," please provide a copy. ☒ Yes ☐ No

11. LOSS HISTORY: (RENEWAL APPLICANTS: Question 11. Need not be answered)

- a) Regardless of whether covered by any insurance policy, have you had or do you presently have any employment Related claims including, but not limited to, complaints, charges, grievances, arbitrations, litigation, or administrative agency proceedings (federal, state, or local) concerning employment termination, discrimination, sexual harassment, wage and hour violations, or unfair labor practices?

☐ Yes ☒ No If Yes, for each of the past five (5) years please, provide the following information:

Year	Number of Claims	Damage or Settlement Amount	Legal Expense Amount

- b) Have you ever been involved in any claim or proceeding of the type described in a. above, for which you or your insurer has paid or reserved in excess of \$25,000 (including amounts paid or reserved for the defense of the claim or proceeding)? ☐ Yes ☒ No

If Yes, please complete and attach the CLAIM SUPPLEMENT for each such claim or proceeding.

- c) Has the Company, or anyone for whom insurance is intended, been involved in the following within the last 5 years? ☐ Yes ☒ No

- 1) Any civil or criminal action or administrative proceeding alleging a violation of any federal or state anti-trust, Copyright, patent or securities law or regulation? ☐ Yes ☒ No

- 2) Any representative actions, class actions or derivative suits? ☐ Yes ☒ No

- 3) Any government regulatory or administrative proceedings? ☐ Yes ☒ No

- e) Are there any pending claims or demands against the Company or anyone for whom this Insurance is intended which may fall within the scope of coverage afforded by any similar Insurance presently or previously in effect or currently proposed?

☐ Yes ☒ No

If Yes, provide complete details. _____

- f) Has anyone for whom this insurance is intended given notice under the provisions of any other previous or current similar insurance policy of any claims or facts or circumstances which may give rise to a claim being made against the Company and/or any Director and/or Officer?

☐ Yes ☒ No

If Yes, provide complete details. _____

IT IS UNDERSTOOD AND AGREED THAT IF ANY SUCH CLAIMS EXIST, OR ANY SUCH FACTS OR CIRCUMSTANCES EXIST WHICH COULD GIVE RISE TO A CLAIM, THEN THOSE CLAIMS AND ANY OTHER CLAIMS ARISING FROM SUCH FACTS OR CIRCUMSTANCES ARE EXCLUDED FROM THE PROPOSED INSURANCE

12 PRIOR KNOWLEDGE: (RENEWAL APPLICANTS: Question 12. Need not be answered)

Does anyone for whom this insurance is intended have any knowledge or information of any act, error, omission, fact, circumstance or wrongful employment practice which might give rise to a claim which may fall within the scope of the proposed insurance?
If Yes, provide complete details.

☐ Yes ☒ No

IT IS UNDERSTOOD AND AGREED THAT IF SUCH KNOWLEDGE OR INFORMATION EXISTS, ANY CLAIM ARISING THEREFROM IS EXCLUDED FROM THIS PROPOSED INSURANCE.

13 As part of this Application, please submit the following documents with respect to the Company

- a) Audited financial statements with any notes and schedules.
- b) Most recent unaudited interim financial statements.
- c) Summary and status of any litigation filed within the last twenty-four (24) months by or against any person(s) or entity(ies) proposed for this insurance (including any litigation that has been resolved).
- d) Copy of employee handbook.
- e) EEO-1 Report.
- f) Copy of current business plan.
- g) Any registration statements filed with the SEC or any private placement memorandums within the last twelve (12) months.

FOR THE PURPOSES OF THIS APPLICATION, THE UNDERSIGNED AUTHORIZED AGENT OF THE PERSON(S) AND ENTITY (IES) PROPOSED FOR THIS INSURANCE DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS IN THIS APPLICATION, AND IN ANY ATTACHMENTS, ARE TRUE AND COMPLETE. THE UNDERWRITER IS AUTHORIZED TO MAKE ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. ACCEPTING THIS APPLICATION DOES NOT BIND THE UNDERWRITER TO COMPLETE, OR THE APPLICANT TO PURCHASE, THE INSURANCE.

THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE UNDERWRITER AND ALONG WITH THE APPLICATION IS CONSIDERED PHYSICALLY ATTACHED TO THE POLICY AND WILL BECOME PART OF IT. THE UNDERWRITER WILL HAVE RELIED UPON THIS APPLICATION AND ATTACHMENTS IN ISSUING ANY POLICY. THIS APPLICATION WILL BECOME A PART OF SUCH POLICY IF ISSUED.

IF THE INFORMATION IN THIS APPLICATION OR IN ANY ATTACHMENT MATERIALLY CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE POLICY EFFECTIVE DATE, THE APPLICANT WILL NOTIFY THE UNDERWRITER, WHO MAY MODIFY OR WITHDRAW ANY QUOTATION OR AGREEMENT TO BIND INSURANCE.

THE UNDERSIGNED DECLARES THAT THE PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE UNDERSTAND THAT:

- (I) THE POLICY FOR WHICH THIS APPLICATION IS MADE APPLIES ONLY TO "CLAIMS" FIRST MADE OR DEEMED MADE DURING THE "POLICY PERIOD," OR ANY EXTENDED REPORTING PERIOD;
- (II) THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED, AND MAY BE EXHAUSTED, BY "DEFENSE EXPENSES," AND, IN SUCH EVENT, THE UNDERWRITER WILL NOT BE RESPONSIBLE FOR THE CONTINUED "DEFENSE EXPENSES" OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT TO THE EXTENT THAT ANY OF THE FOREGOING EXCEED ANY APPLICABLE LIMIT OF LIABILITY; AND
- (III) "DEFENSE EXPENSES" WILL BE APPLIED AGAINST THE RETENTION.

NOTICE TO APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND (NY: SUBSTANTIAL) CIVIL PENALTIES. (NOT APPLICABLE IN CO, HI, NE, OH, OK, OR, VT. IN THE STATES OF DC, LA, ME AND VA, INSURANCE BENEFITS MAY ALSO BE DENIED)

ARKANSAS APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

COLORADO APPLICANTS: IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICY HOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICY HOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.

DISTRICT OF COLUMBIA APPLICANTS: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.

FLORIDA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

HAWAII APPLICANTS: FOR YOUR PROTECTION, HAWAII LAW REQUIRES YOU TO BE INFORMED THAT PRESENTING A FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT IS A CRIME PUNISHABLE BY FINES OR IMPRISONMENT, OR BOTH.

LOUISIANA APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

KENTUCKY APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

NEW MEXICO APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

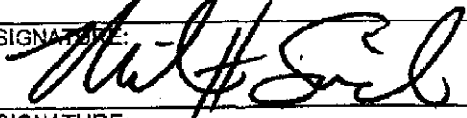

NEW YORK APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY MATERIAL FACT THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL BE ALSO SUBJECT TO A PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

OHIO APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

OKLAHOMA APPLICANTS: WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

OREGON APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD OR SOLICIT ANOTHER TO DEFRAUD AN INSURER: (1) BY SUBMITTING AN APPLICATION OR; (2) FILING A CLAIM CONTAINING A FALSE STATEMENT AS TO ANY MATERIAL FACT MAYBE VIOLATING STATE LAW.

PENNSYLVANIA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

SIGNATURE: 	TITLE: CEO/President	DATE: June 18, 2012
SIGNATURE: 	TITLE: COO/CFO	DATE: 6-18-12

NOTE: A POLICY CANNOT BE ISSUED UNLESS THE PROPOSAL IS PROPERLY SIGNED BY TWO INDIVIDUALS AND DATED. IF THE CHAIRMAN OF THE BOARD AND PRESIDENT ARE THE SAME INDIVIDUAL, PLEASE HAVE THE PROPOSAL SIGNED BY THE CHIEF FINANCIAL OFFICER, CHIEF OPERATING OFFICER OR GENERAL COUNSEL IN LIEU OF THE PRESIDENT.

REQUIRED INFORMATION:

BROKER NAME:	
AGENCY NAME:	
TAXPAYER ID NO.:	PRODUCER LICENSE NO. AND STATE:
PRODUCER'S ADDRESS (No., Street, City, State, and Zip):	

This form is to be completed by each applicant who has been involved in any claim or suit or who is aware of any incident which may give rise to a claim. Please complete separate sheets for each claim or incident and answer all questions fully. A principal of the firm must sign and date this sheet in addition to the application.

- 1) Name of Firm: _____
- 2) Name of Individuals of Firm Involved in Claims: _____

- 3) Name of Claimant (Plaintiff): _____
- 4) Date of Alleged Error: _____
- 5) Date Claim Made: _____
- 6) Name of Insurer Claim Reported To (If Applicable): _____
- 7) Present Status of Claim: _____ Pending _____ Closed _____ In Suit
- 8) If Closed, Total Settlement Paid: _____ Total Expenses Paid: _____
- 9) If Pending, Amount asked in summons: _____
Claimant's Settlement Demand: _____
Defendant's Settlement Offer: _____
Insurer's Loss Reserve: _____
Expenses Paid To Date: _____
- 10) Detailed Description of Claim and Events: (Provide Claimant's Allegations and Your Firm's Response)

- 11) Explain What Actions Have Been Taken to Prevent A Recurrence or Similar Claim:

APPLICANT'S SIGNATURE

DATE

PLEASE SUBMIT THIS PROPOSAL AND APPROPRIATE MATERIALS TO:

Navigators Pro
A Division of Navigators Management Company, Inc.
One Penn Plaza
55th Floor
New York, NY 10119